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Security Council Committee established pursuant to resolution 1718 (2006)

Letter dated 20 March 2018 from the Permanent Representative of the Republic of Korea to the United Nations addressed to the Chair of the Committee

I have the honour to refer to Security Council resolution 2397 (2017) and, in particular, its paragraph 17, in which it decided that Member States shall report to the Security Council on concrete measures they have taken in order to implement effectively the provisions of the resolution. In this respect, I have the further honour to submit to the Security Council Committee established pursuant to resolution 1718 (2006) the national report of the Government of the Republic of Korea on the implementation of resolution 2397 (2017) (see annex).

(*Signed*) **Cho** Tae-yul
Permanent Representative

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Annex to the letter dated 20 March 2018 from the Permanent Representative of the Republic of Korea to the United Nations addressed to the Chair of the Committee

Report of the Republic of Korea on the implementation of Security Council resolution 2397 (2017)

I. Introduction

The Government of the Republic of Korea is committed to faithfully implementing Security Council resolution 2397 (2017) and all previous Council resolutions concerning sanctions on the Democratic People's Republic of Korea, namely, resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2397 (2017) and to rendering full cooperation to the Security Council Committee established pursuant to resolution 1718 (2006).

The Republic of Korea is a party to international treaties concerning the non-proliferation of weapons of mass destruction and the control of transfer of conventional arms, including the Treaty on the Non-Proliferation of Nuclear Weapons; the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction; the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction; and the Arms Trade Treaty. It is also a member of all export control regimes, namely, the Nuclear Suppliers Group, the Missile Technology Control Regime, the Australia Group, the Zangger Committee and the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies. The Government of the Republic of Korea has established and updated its system to fully implement its obligations under the relevant Security Council resolutions, and it will continue to contribute to the international efforts to strengthen the global non-proliferation regime.

Since 2006, the Government of the Republic of Korea has taken the necessary legislative and executive measures to implement the Security Council sanctions resolutions on the Democratic People's Republic of Korea and submitted national implementation reports in 2006, 2009, 2013, 2016 and 2017. Following the adoption of resolution 2397 (2017), the Government has taken additional measures to implement the resolution effectively.

The Government of the Republic of Korea imposed the measures of 24 May 2010 in response to the sinking of the Republic of Korea navy corvette *Cheonan* in a torpedo attack by the Democratic People's Republic of Korea in 2010. The measures contain extensive sanctions against the Democratic People's Republic of Korea, including (a) strict restrictions on visits by nationals of the Republic of Korea to the Democratic People's Republic of Korea; (b) the suspension of inter-Korean trade; (c) the prohibition of new investments in the Democratic People's Republic of Korea; and (d) a ban on the operation of vessels of the Democratic People's Republic of Korea in the territorial waters of the Republic of Korea.

Following the fourth nuclear test and long-range ballistic missile launches by the Democratic People's Republic of Korea in early 2016, the Government of the Republic of Korea took measures to cease the operations of the Kaesong industrial complex on 10 February 2016. Currently, there is no economic cooperation between the Republic of Korea and the Democratic People's Republic of Korea.

The Government of the Republic of Korea exerted all efforts to fully implement the Security Council sanctions resolutions in the course of the participation by the Democratic People's Republic of Korea in the PyeongChang 2018 Olympic Winter Games. In this regard, the Government of the Republic of Korea submitted an exemption request to the Committee concerning the hosting by the Republic of Korea of the high-level delegation of the Democratic People's Republic of Korea: the Committee approved the requested exemption, in accordance with paragraph 25 of resolution 2397 (2017).

II. Measures taken to implement Security Council resolution 2397 (2017)

A. Designations (para. 3)

Designation of individuals and entities (para. 3 and annexes I and II)

Under the Act on Prohibition against the Financing of Terrorism and Proliferation of Weapons of Mass Destruction, the 16 individuals and one entity listed in annexes I and II to resolution 2397 (2017) were additionally designated by the Financial Services Commission for its sanctions, including restrictions on financial transactions and freezing of assets.

Under the Foreign Exchange Transaction Act and guidelines on granting permission for payment and receipt for the fulfilment of obligations for the maintenance of international peace and security, foreign currency transactions with individuals or entities designated by the Government of the Republic of Korea are prohibited unless approved by the Governor of the Bank of Korea. The 16 individuals and one entity listed in annexes I and II to resolution 2397 (2017) were additionally designated, and therefore foreign currency transactions with those individual and entities are currently prohibited.

The individuals listed in annex I to resolution 2397 (2017) will not be allowed to enter the Republic of Korea without approvals and certificates of visit from the Ministry of Unification.

B. Sectoral (paras. 4–8)

1. Prohibition of the transfer of oil and of designated items (paras. 4–7)

Under the Inter-Korean Exchange and Cooperation Act, the authorization of the Government of the Republic of Korea is required for the direct transfer of all items between the Republic of Korea and the Democratic People's Republic of Korea. Under the Act, the Ministry of Unification prohibits the direct transfer of all items prohibited under the relevant Security Council resolutions, including crude oil, refined petroleum products, industrial machinery, transportation or vehicles, to the Democratic People's Republic of Korea. Any person who violates the Act is subject to a maximum of three years in prison or a fine of up to 30 million Korean won.

In accordance with the Special Measures for Restrictions on Trade for the Maintenance of International Peace and Security, the Government of the Republic of Korea bans the transfer, including through a third party, to or from the Democratic People's Republic of Korea, of all items prohibited under the relevant Security Council resolutions. Before the end of 2018, the Ministry of Trade, Industry and Energy will revise the Special Measures to reflect the list of prohibited items in resolution 2397 (2017). Under the Foreign Trade Act, any person who is discovered

to have transferred items banned by the Special Measures through a third country will be subject to a maximum of five years in prison or a fine of up to three times the price of the items.

Under the Customs Act, the Government of the Republic of Korea, when it deems it necessary to prevent the violation of obligations under the treaties concluded by the Republic of Korea and of generally approved international rules, may inspect or seal goods, means of transportation, places of storage and related books and documents or take other necessary measures. Under the Act, submission of the related materials may be requested as evidence for items suspected to be originating from the Democratic People's Republic of Korea, and the items may be inspected.

In addition, the Korea Customs Service has increased efforts to review import documents and inspect goods in order to prevent disguised transfers via third countries from the Democratic People's Republic of Korea.

Currently, there is no trade between the Republic of Korea and the Democratic People's Republic of Korea.

2. Restriction on hiring workers from the Democratic People's Republic of Korea (para. 8)

Under the Inter-Korean Exchange and Cooperation Act, the authorization of the Government of the Republic of Korea is required for Republic of Korea nationals to contact or engage in joint projects with residents of the Democratic People's Republic of Korea. Under the Act, the Ministry of Unification may prevent Republic of Korea nationals from hiring new North Korean workers by prohibiting contact or engagement in joint projects with residents of the Democratic People's Republic of Korea.

Currently, there are no North Korean workers hired in the Republic of Korea.

C. Maritime interdiction of cargo vessels (paras. 9–16)

In accordance with the Coast Guard Act, the Government of the Republic of Korea may cooperate with the Republic of Korea navy for constant monitoring of vessels in the territorial waters of the Republic of Korea.

Under the Act on the Arrival, Departure, etc., of Ships and its Enforcement Decree, the Ministry of Oceans and Fisheries may require vessels to obtain permission from the Minister of Oceans and Fisheries for entry into ports when necessary for national security. Under the Act, the Ministry may not permit vessels designated by the Committee to enter any ports in the Republic of Korea.

The Ministry of Oceans and Fisheries informed the relevant organizations, including the Korea Shipowners' Association, with which Republic of Korea ship companies are registered, that registering the four vessels designated by the Committee on 28 December 2017 is not permitted.

In addition, the Korea Customs Service may prohibit entry into port of the vessels designated by the Committee by registering such vessels in the vessel selectivity system.

The Ministry of Oceans and Fisheries has informed the relevant organizations, including the Korea Shipowners' Association, with which ship companies of the Republic of Korea are registered, of the maritime interdiction regulations outlined in the resolution, namely, that vessels containing prohibited items may be inspected, that vessels shall comply with the flag State's direction to proceed to an appropriate and convenient port for the required inspections and that, if a vessel refuses to comply

with the direction to permit inspection on the high seas or to proceed to such a port, then the vessel may be deregistered provided that the Committee has designated the vessel.

Under the measures of 24 May 2010, the Government of the Republic of Korea has banned the operation of vessels of the Democratic People's Republic of Korea in the territorial waters of the Republic of Korea according to the May 24 Measures, thereby prohibiting ship-to-ship transfers to or from vessels of the Democratic People's Republic of Korea in the territorial waters of the Republic of Korea.

The Government of the Republic of Korea has taken measures on three vessels in accordance with resolution 2397 (2017), when they entered ports in the Republic of Korea. The *Lighthouse Winmore* (International Maritime Organization (IMO) No. 9635987) and the *Koti* (IMO No. 9417115) were involved in ship-to-ship transfers to Democratic People's Republic of Korea-flagged vessels, and the *Talent Ace* (IMO No. 8793873, formerly the *Xin Sheng Hai*) was involved in transport of coal originating in the Democratic People's Republic of Korea before laundering its issued IMO No. (9485617).